

**Ben G. Almond**  
Executive Director-  
Federal Regulatory

**BELLSOUTH**  
DOCKET FILE COPY ORIGINAL

Suite 900  
1133-21st Street, N.W.  
Washington, D.C. 20036  
202 463-4112  
Fax: 202 463-4198

EX PARTE OR LATE FILED

October 21, 1996

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, NW, Room 222  
Washington, DC 20554

RECEIVED  
OCT 21 1996  
Federal Communications Commission  
Office of Secretary

Re: Implementation of the Telecommunications Act of 1996:  
Teleessaging Electronic Publishing and Alarm Monitoring Services  
CC Docket 96-152 Ex Parte

Dear Mr. Caton:

In accordance with Section 1.1206 of the Commission's rule this is to notify you that on October 21, 1996 Donald J. Perozzi, Daniel Thompson, Jr., Suzanne H. Detlefs, David W. Scobey, Jr., Charles P. Featherstun and Robert T. Blau, all of BellSouth Corporation met with Richard Welch of the Common Carrier Bureau to discuss issues raised in the above referenced proceeding. The attached documents were used for discussion purposes.

Please associate this notification and the accompanying documents with the referenced docket proceeding.

If there are any questions concerning this material, please contact the undersigned.

Sincerely,



Ben G. Almond  
Executive Director-Federal Regulatory

Attachment

cc: Richard Welch

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List ABCDE

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Date: October 15, 1996

Re: Electronic Publishing

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The electronic publishing restrictions of Section 274 of the Telecommunications Act should not be construed to preclude joint promotion of print directory products by a BOC and its affiliates, notwithstanding the fact that such an affiliate may share some resources with an electronic publishing affiliate that is in compliance with Section 274(b). This conclusion relies on both an analysis of the statute and an assessment of the policy which Congress was intending to address in the Act.

I. First, Section 274(c) pertaining to "joint marketing" contains at subsection "(1)" two prohibitions. The first is that a BOC is prohibited from conducting joint marketing or promotional activity as regards a "separated affiliate". That term "separated affiliate" is defined at Section 274(i)(9) essentially as an entity which, inter alia, "engages in the provision of electronic publishing which is disseminated by means of" a Bell operating company. A BOC affiliate which is not owned or controlled by a BOC, and does not own or control a BOC, and does not engage in electronic publishing as defined in the Act, would not fall within the definition of the term "separated affiliate". Such an entity would be free to do joint marketing of print media products with an affiliated BOC without running afoul of the joint marketing restrictions. This describes BellSouth Advertising and Publishing Company (BAPCO) which markets print media yellow and white page directories and which is separate from the affiliated BOC in that it shares no assets, employees, directors or liabilities with that BOC. Moreover, it does not provide electronic publishing, although it does contract to provide some services to a separate Section 274(b) affiliate that is engaged in electronic publishing. Additionally, BAPCO may joint market its print directory products in conjunction with the electronic directory products of its affiliated electronic publishing company.

The joint marketing prohibition of Section 274(c)(b)(1) would also not apply to BAPCO. That prohibition pertains only to joint marketing done by a BOC in conjunction with an affiliate when such marketing is "related to the provision of electronic publishing". Promotion or marketing of the print product produced by BAPCO clearly falls outside of that category because it does not involve the provision of electronic publishing. As such, there is no prohibition against the BellSouth BOC conducting joint marketing activities of print media in conjunction with BAPCO.

II. Secondly, this result is consistent with the policy objective which Congress was trying to achieve. Congress sought through the restrictions of Section 274 to effect a structural and operational separation between a BOC and its electronic publishing affiliate. The focus in the definition of a "separated affiliate" at Section 274(i)(9) is on dissemination "by means of such Bell operating companies...basic telephone service". This demonstrates that the concern was with a perceived capability to use landline telephony service to improperly somehow favor services of the electronic publishing affiliate. Such conduct was perceived as potentially disadvantaging electronic publishing competitors using the same BOC network. No similar potential for any unfair advantage exist with respect to the print product. Print media competitors have access to the same tariffs under which BellSouth Advertising and Publishing Company gets its telephony service from the affiliate operating company. The listing information used in the print media is likewise available under tariff to competing directory publishers. Moreover, Congress was aware that

BOCs have historically conducted joint marketing programs with affiliated print directory publishers and because this activity presented no potential for any alleged monopoly abuse of the basic network Congress evidenced no intention to change or interfere with that activity.

Finally, Section 274 contains no prohibition against either the print media directory company nor the electronic publishing company marketing products or services of an affiliated BOC. Rather the restrictions of subsection "c" operate against activity by the affiliated BOC as regards electronic publishing. Thus, it is clear that a print media affiliate or the electronic publishing affiliate of a BOC could under Section 274 market the products or services of that BOC.

# **BELLSOUTH ADVERTISING & PUBLISHING**

## **Meeting With The FCC**

**Thursday, September 26, 1996**

# BELLSOUTH CORPORATION

**BellSouth Telecommunications**

**BellSouth Enterprises**

**Advertising & Publishing  
Group**

**BAPCO**

**Intelligent  
Media  
Ventures**

**L.M.  
Berry**

**Stevens  
Graphics**

**Sales**

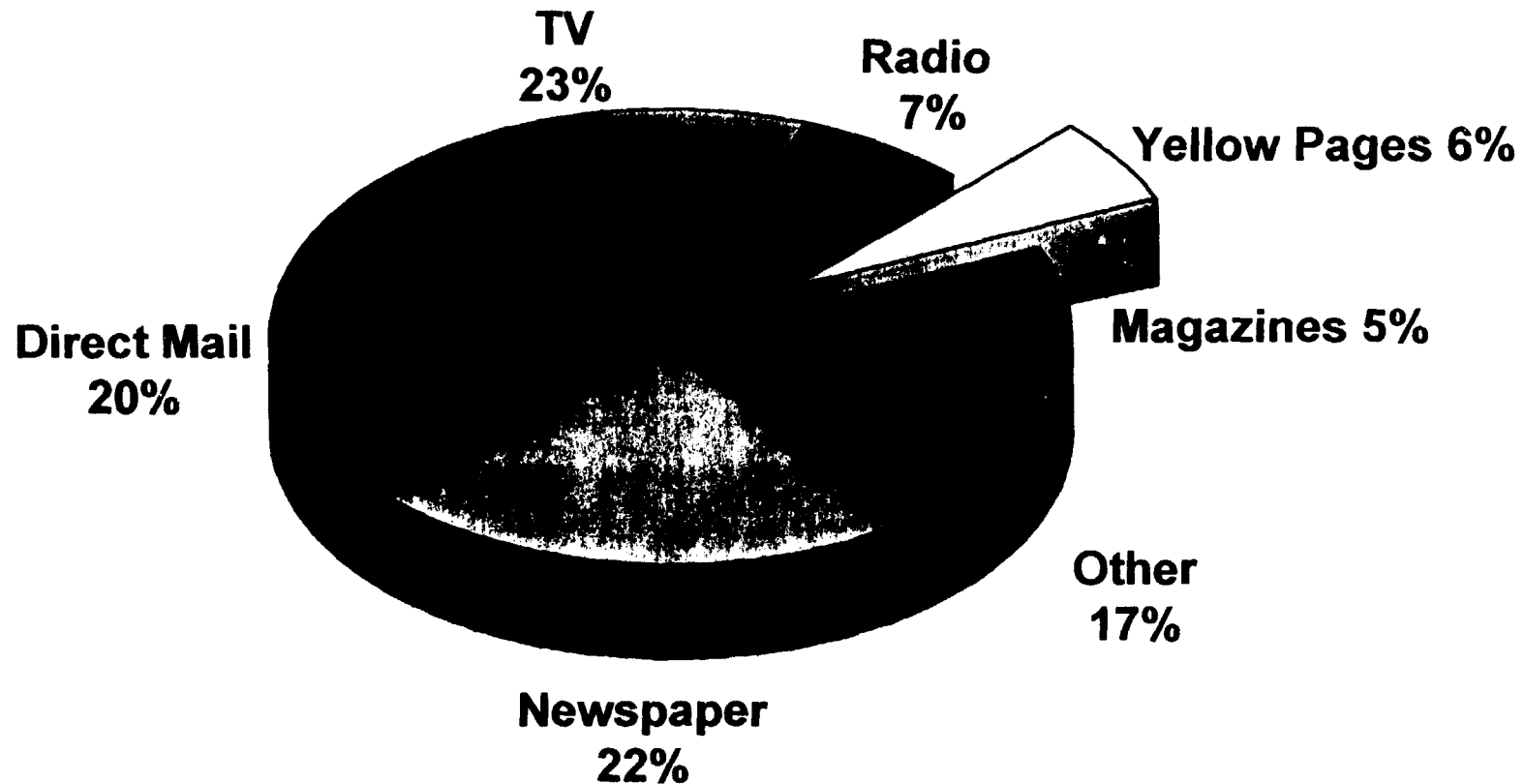
**Marketing**

**Publishing**

# **Advertising Industry is Highly Competitive**

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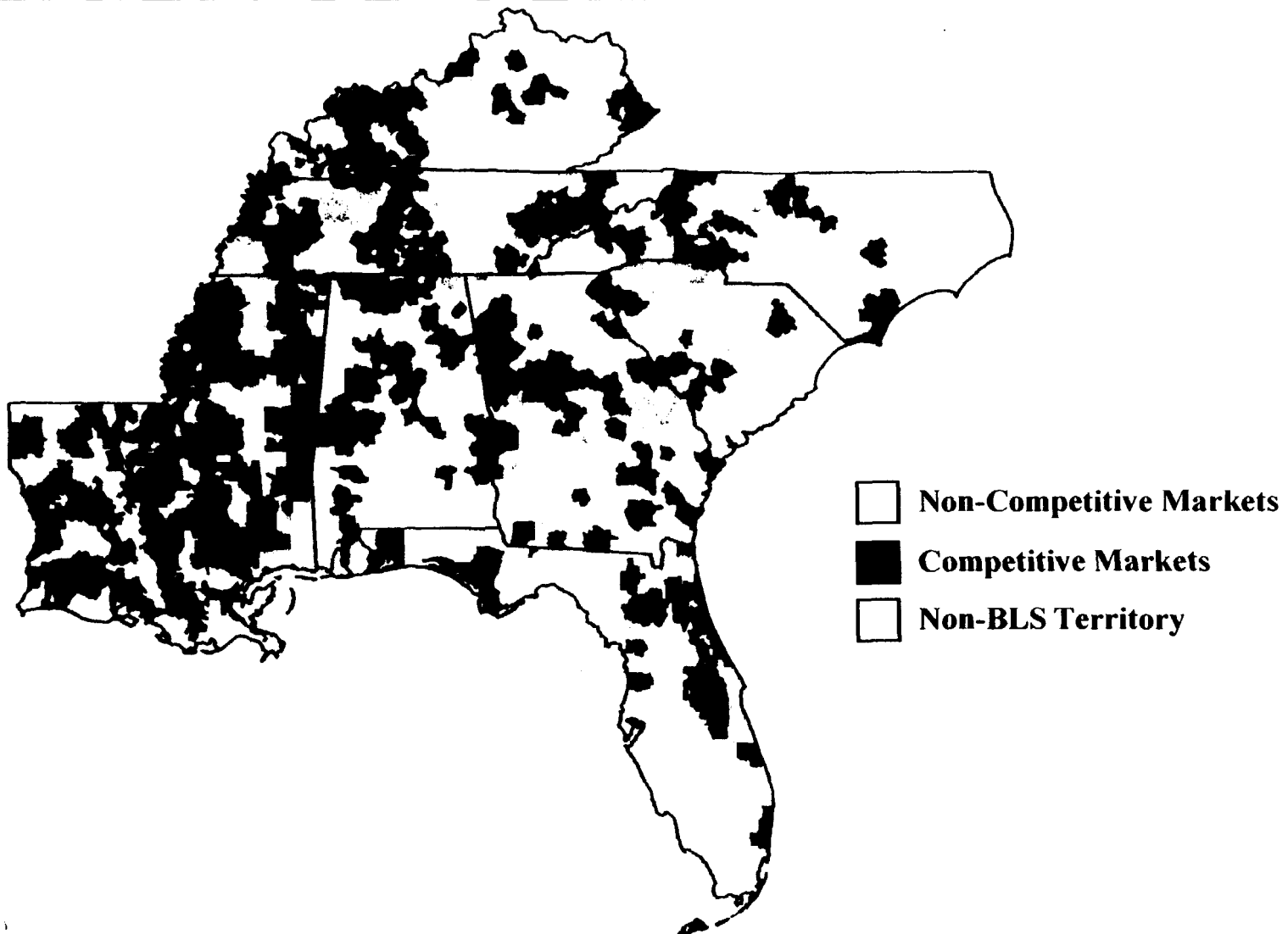
**Yellow Pages is a Part of the Advertising Industry**



**\$175 Billion**

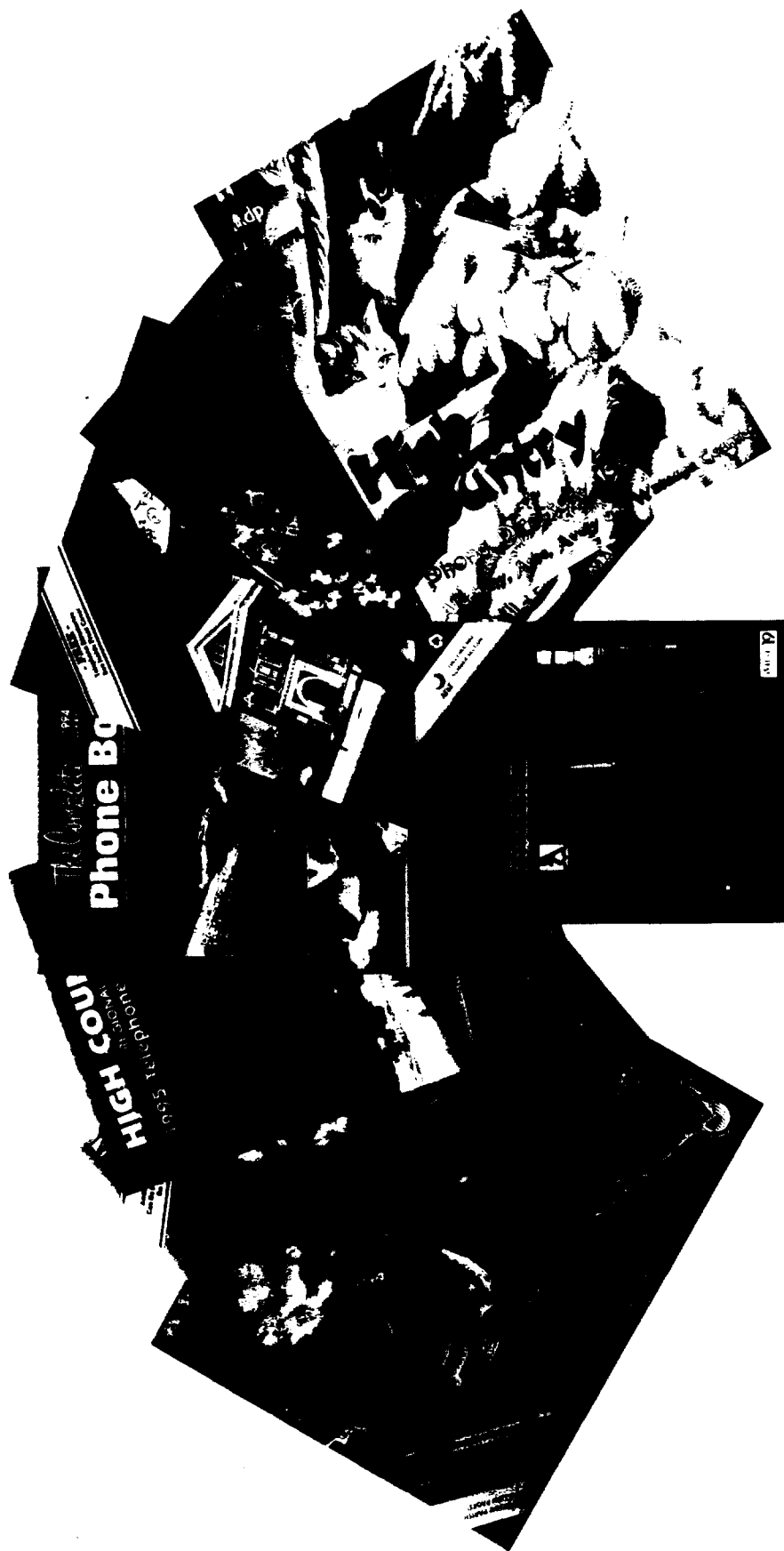
# Competitive Landscape

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# Multiple Competitive Books

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# **Local Exchange Telephony Competition**

- \* BAPCO has adopted a LEC Friendly position**
  - ~ Comprehensive directory serving all carriers' customers**
  - ~ Provide high level of service to all customers regardless of choice of LEC**
- \* BAPCO is proactively seeking business relationships with all local exchange telephony providers**
- \* BAPCO is modifying its products and business processes to support telephony competition**

# Providing Call Guide Options

Media One

**NEW BUSINESS WITH US**

**ABOUT BELLSOUTH**

At Bellsouth, we're committed to providing you with the best service possible. We're committed to providing you with the best service possible. We're committed to providing you with the best service possible.

Service	Area	Phone Number
Local Service	Atlanta	404-525-1234
Long Distance	Nationwide	1-800-555-1234
International	Worldwide	1-800-555-1234
Special Services	Various	1-800-555-1234

BST

**NEW BUSINESS**

**Media One**

**We Have The Answers**

Media One is the leading provider of telecommunications services in the Southeast. We have the answers to all your telecommunications needs.

AT&T

**Atlanta, It's All Within Your Reach.**

**CUSTOMER GUIDE**

AT&T Business Services - Local and Long Distance

AT&T Business Services - Local and Long Distance

AT&T Business Services - Local and Long Distance

Generic

**NEW BUSINESS**

**ESTABLISHING PHONE SERVICE**

Generic is the leading provider of telecommunications services in the Southeast. We have the answers to all your telecommunications needs.

# **“LEC-Friendly” Contracts In Place**

- \* AT&T**
- \* MCI Metro**
- \* Time Warner**
- \* BellSouth**
- \* ACSI**
- \* Com. Communications**
- \* GA Comm South**
- \* Hart Communications**
- \* ICI**
- \* Media One**
- \* MFS**
- \* National Telecommunications**
- \* NextLink**
- \* TCG**
- \* Windstar Wireless**

# **Electronic Directory Publishing Development**

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- \* Internet**
- \* Interactive Speech**
- \* CD-ROM**
- \* InfoVentures of Atlanta**
- \* Newspaper Partnerships**

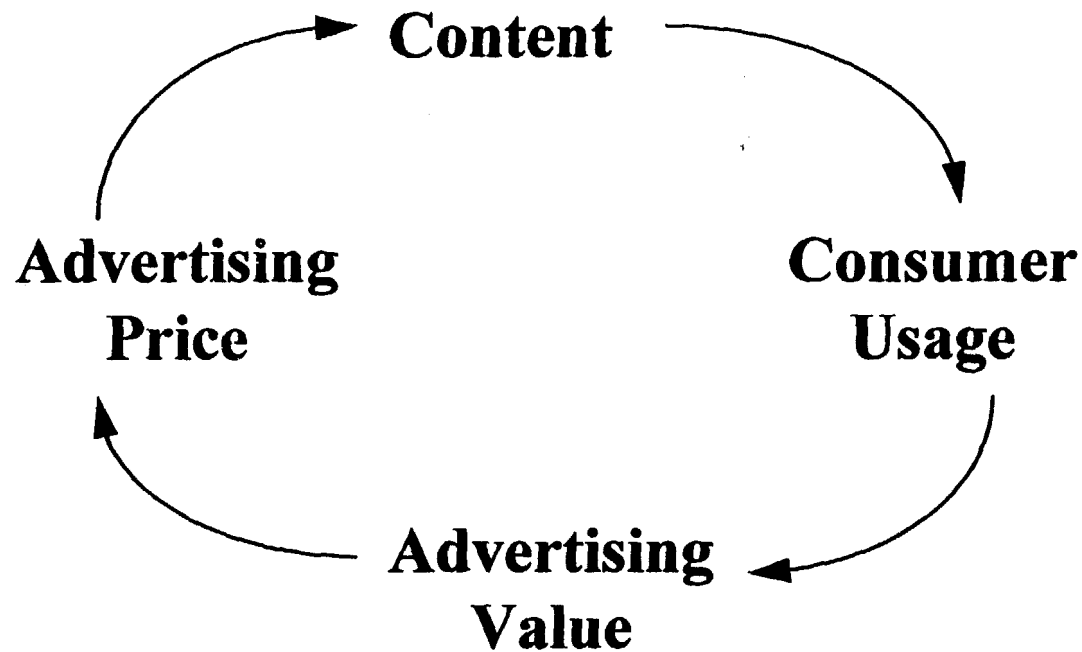
# **Internet = Phenomenal Growth**

	<b><u>1996</u></b>	<b><u>2000</u></b>
<b>Users</b>	<b>23 Million</b>	<b>152 Million</b>
<b>Host Computers</b>	<b>10 Million</b>	<b>120 Million</b>

# **Internet Directory Competitors**

- ~ Other Directory Publishers**
- ~ Interexchange Carriers**
- ~ New Internet Only Directory Companies**
- ~ Software Companies**
- ~ Currently Over 150 Internet Directory Competitors**

# Usage is Key in Advertising Products



## Content

- Listings
- Advertising
- Buying Information

# **Business Conclusions**

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- ~ Advertising is a highly competitive business distinctly different from telephony**
- ~ Electronic Publishing of directory products is already highly competitive**
- ~ An incumbent printed directory publisher has no advantage in the Internet**
- ~ Access to and navigation on the Internet is not controlled by us or our affiliate BOC**
- ~ The law imposes sufficient constraints on our electronic publishing opportunities**



## **“Operate Independently” §274 (b)**

- \* No additional restrictions needed.  
~ Congressional scheme detailed  
and comprehensive**
- \* No authority for further or additional FCC  
imposed restrictions**

## **“Operate Independently” §274 (b)**

- \* Holding company administrative functions may be shared.**
- \* Holding company intellectual property may be shared.**

# **Joint Marketing**

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- \* Publishing subsidiary may promote BOC and other LEC services**

## About Us...

BellSouth Advertising & Publishing Corporation, or BAPCO, is a separate, wholly owned subsidiary of BellSouth Corporation and the largest publisher of telephone directories in the world. The Real Yellow Pages® trademark appears in more than 500 markets throughout nine Southeastern states. In addition to being the largest directory publisher, BAPCO is a market leader in directory accuracy and directory effectiveness.

In the BellSouth markets, The Real Yellow Pages and the BellSouth White Pages are the universal directories of choice of our consumers, businesses, and business advertisers. Our mission is to continue offering comprehensive directories in our markets for all Local Exchange Carriers. Our directories will provide immediate benefits to our consumers and to the new Local Exchange Carriers entering the BellSouth markets. We will be Local Exchange Carrier friendly and consider all Local Exchange Carriers our customers. We will conduct the directory services business on a consistent basis across all Carriers and for all customers regardless of the Carrier they choose. With respect to directory services matters, our goals are consistent with the goals of the new Carriers, to provide each Carrier's customers and our customers comprehensive inclusion in, and delivery of, the universal directory of choice.

In order to ensure high quality service to all Local Exchange Carriers entering the BellSouth markets, BellSouth Advertising & Publishing Corporation will negotiate all directory services matters and will require a separate contract regarding directory matters. BellSouth Advertising & Publishing Corporation will coordinate listing services with BellSouth Telecommunications as appropriate to ensure all Carrier needs are met. Negotiations between the Local Exchange Carriers and BellSouth Telecommunications may also be required for local telecommunications services.

## Doing Business With Us

BellSouth Advertising & Publishing Corporation is a quality company providing a complete Directory Services Package for all Local Exchange Carriers in the BellSouth markets. During this transition from a single Local Exchange Carrier to multiple Carriers, a familiar directory package that has proven accuracy and exceptional distribution coverage is a necessity for success.

White Pages Accuracy - 99.991%  
Yellow Pages Accuracy - 99.716%  
Distribution Coverage - 96.6%

We are interested in discussing our directory services package with you to begin discussions on the following:

- Detailed information on Directory Services
- Contractual arrangements with BellSouth Advertising & Publishing Corporation
- Systems/Technical considerations for Service Order input

### Please contact:

Rick Barretto  
Director - LEC Directory Services  
59 Executive Park Drive, South  
Room 270  
Atlanta, GA 30329  
Telephone - 404-982-7105  
FAX - 404-982-7370

# We Can't

Preparation to launch your new local exchange services business entails unending

in order to ensure success.

We at BellSouth Advertising & Publishing Corporation have been in the directory publishing business for many years and would like to work with you to provide you and your customers White Pages and Yellow Pages directory services to further their in the local exchange service arena.

## Features of Directory Services Available

**LISTINGS** For Residential and Business Customers  
**ADVERTISEMENT** Publication for Business Customers  
**CALL GUIDE PAGES** APPEARANCE for each individual Carrier  
**DISTRIBUTION** of directories to all Carrier customers

### Directory Listings

One free listing for each of your subscriber's primary service numbers, in the appropriate White Pages and/or Yellow Pages Directory at the Yellow Pages heading of his/her choice.

Additional Listings, Foreign Listings and Designer Listings will be published in the appropriate directory when purchased by Carrier customers

### Advertisement Publication

Professional, full service handling of all business accounts to allow their advertising message to be more informative, noticeable, and effective.

A highly trained and professional staff with years of experience in the publishing business.

A comprehensive, targeted television and radio campaign to support the product where your customers will appear.

# 3

### Call Guide Pages

General information for all Carriers will be provided free of charge (Categories provided below). BAPCO will provide normal customer information needed by all customers.

- Telephone Numbers for Establishing Phone Service - Residence and Business
- Telephone Numbers for Repair Service - Residence and Business
- Billing Information - Residence and Business

### Informational/Advertising Pages

- Pages are available for purchase at a discount for information about the Carrier and their services.

- Information about the Carrier
- Products and Services Descriptions
- Establishing or Changing the Service
- Repair
- Billing and Payments
- Information for customers with Disabilities
- Other Helpful Information
- Local Calling
- Local Optional Service
- Long Distance Calling
- References to other advertising purchased throughout the directory

The above list is not exhaustive but can be used as a guide in determining the informational needs of each Carrier's customers and informational advertising messages that the Carrier wants to get to its customers. All information placed in the Call Guide Pages must adhere to the Specifications and Standards of BellSouth Advertising & Publishing Corporation.

# 4

### Directory Distribution

Blanket coverage of the Market to all Carrier's customers will be made free of charge.

Delivery Audits conducted to verify receipt of Directory

Subsequent delivery to your new customers on a timely basis

Foreign Directories provided at a charge through the Foreign Directory Center

### Additional Directory Benefits

- Reaches the homes and businesses of more customers than any other advertising media.
- Product usage research conducted continuously. Frequency of usage is verifiable.
- Readily available 24 hrs per day - 365 days per year in every home.
- Advertising Support of directories in every market.
- Internal and external measurements of quality to ensure consistent, reliable and dependable directory sales, publishing and delivery.

*Note: BellSouth Directories are environment friendly and are 100% recyclable.*